

# STAFF SYSTEM NEWSLETTER

March  
2009

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## **Welcome to our March Newsletter**

### **1. Overview**

This Newsletter is a preliminary our usual Tax Year End documentation which will follow later this week. This newsletter just mentions a few items prior to the actual year end.

This is a minor update to the previous March Newsletter, with some corrections and additions.

### **2. On-line filing of Year End data (P14 and P35)**

We believe that all of our users have made their Year End submissions on-line last year. If you have any further queries, please get in touch. There is a Guideline document on our web site ([www.olympic.co.uk](http://www.olympic.co.uk), follow the link to 'user area', then to End of Year 08/09 and download the "Guideline for on-line filing"), which describes the procedure in detail.

If you do have problems with this we are able to run some of the procedures at our office, e.g. we can run the actual upload from here, but there will be a charge for this service, with a minimum of £50 (plus VAT), please call Support if you feel that you may need this service.

### **3. Version of the STAFF System for Year End**

There is no major upgrade for the STAFF System for the Year End this year, but there is a package that contains a new version of the NI Number checker and the appropriate 08/09 submission files. You can download this from our web site see User Area -> End of Year 08/09, then "STAFF System programs updated for Year End".

However if you are filing on-line for the first time it is likely that you will need to upgrade, please contact us if you have any queries.

### **4. Changes to Year End processing**

There are no changes to the Year End processing from last year and the details are given in the "End of Year 2008/09 Documentation"

### **Changes to PAYE tax bands**

Please note that changes to the PAYE bands do not come into effect until 18<sup>th</sup>. May and, as usual, we will issue the second Year End newsletter in May giving the details. There are changes to the NI bands that have already been announced and they do come into force on the 6<sup>th</sup>. April, details of these will be given in the Year End Newsletter.

### **Week 53**

The end of the Tax Year (5<sup>th</sup>. April) falls on a Sunday this year and some users will have a week 53 this year, it actually depends on the date that you use for the Payroll run. Please call to check if you have any queries.

### **Validations for correction before Year End**

#### 1) NI Number checker

This should be run for every branch in which you run payroll and will be running a Year End.

At any menu issue RP, enter S2CHKTMP for the program name, just press return for program switch.

When the user entry screen is displayed tab down to the fifth line ('TEMP record - check NI Number'), enter Y in the 'Report' column, leave N in the 'Correct' column (this program will not attempt to change the NI Number). The program will produce a report that will identify all Temps who have an invalid NI Number; in general the error messages are self explanatory but will only identify the first error (so a completely invalid NI number may have invalid prefix, digits and suffix). The report will list current temps first followed by any from the P45 file (these will have a two-digit employment number following the Temp name)

Where there is an invalid NI Number and you cannot find the correct value HMR&C will accept the following in its place:

an NI Number of spaces

a valid date of birth

sex

and if the date of birth is not known you can enter 01/01/1901.

The updates also contain an amended Temp Details program with a 'Sex' field, this is optional, but must be used in the situation above.

In order to correct a current Temp you can simply use the standard Temp Details program, although if you do have to enter the 01/01/1901 date of birth you must use a fix program (S2FIXTMP). The Temps in the P45 file can only be corrected by a fix program (S2FIXT45). Please call Support for details of how to run these fix programs.

The same program can also carry out a check on the Temp's total pay figures – see the final line on the entry screen "Temp payroll record, check totals", this carries out a number of checks on the Temp's pay figures and reports any discrepancies that could lead to the P14 being rejected, in particular it would identify any Working Tax Credit payments (see below), if you have any queries please contact support.

#### 2) SMP

If you have any Temp receiving SMP you must ensure that they have their sex recorded as 'F'. You can identify these temps by running Temp Pay to Date Summary and List P45 Temps (on STAFF PAY menu) and then entering 'Y' against the "Include details of WTC, S\*P by Temp" option which will show the total of these payments by individual Temp.

#### 3) WTC (Working Tax Credit)

You should not have any WTC for 2008/09, you can use the S2CHKTMP program (see above)

to identify any mistakes.

#### 4) Making corrections

As mentioned, for current temps you can simply use the updated Temp Details program to amend the NI number, data of birth and sex (new to this version), although if you do need to set up a date of 01/01/1901 you must use the fix program S2FIXTMP. For P45'd Temps you will have to use the S2FIXT45 program via the RP interface, please call for further details of running the fix programs.

These corrections must be made before you begin running the actual Year End.

### **Validation of upload file**

#### 1) HMR&C Desktop Validation tool

HMR&C have made available a program that can run on your local computer and will perform exactly the same validations, and error reporting, that are run when you submit the upload file; consequently you can identify any errors in the upload file without the trouble of connecting to the HMR&C web site. This has been updated for 2007/08 so you will need to download the latest version.

You can download the tool from

[www.hmrc.gov.uk/ebu/pay\\_e\\_techpack/payDesktopChecker2-8.zip](http://www.hmrc.gov.uk/ebu/pay_e_techpack/payDesktopChecker2-8.zip)

This is a Java application and does require that you have the JRE v 1.4.2 installed (available at [java.sun.com/j2se/1.4.2/download.html](http://java.sun.com/j2se/1.4.2/download.html))

You will need to unZIP the desktopchecker2-8zip file, you can install it into the STAFF32 directory if you wish. This is a new version of the tool and the ZIP file contains an installation guide and a user guide.

You use the tool to validate the upload file, so it can only be run when you have run the Year End and prepared the upload file. We would not anticipate that there will be many errors detected by the tool, if any at all, but it is far easier to perform this final check with the Desktop Validator than wait until you upload the file to the HMR&C website.

Any errors found can be corrected by amending the P14 file (using the S2FIXP14 program) and then preparing the upload file again, and validating again as a final check. When there are no errors the upload file can then be submitted to the HMR&C web site.

Note that it is best to prepare and validate the upload file before printing the P60s because if you do have to make corrections then you would have to re-print those P60s that have been corrected.

### **5. Software supplied on Floppy disc or CD**

If you are unable to download the software from the web site then we can supply the software on floppy disc, CD or via email. We hope that we have already identified those who need the software on floppy discs and we will be sending the discs with the Year End Newsletter but if you want to confirm that you need the discs then please contact us.

### **6. Statutory Holiday Pay – increase in Annual Holiday to 28 days**

#### *The changes to the Holiday Pay Entitlement*

Most of you will probably have seen some details of the change in Statutory annual holiday entitlement. From the 1<sup>st</sup>. April 2009 the annual entitlement increases from 24 to 28 days (5.6 weeks), it had been increased to 24 days in October 07.

The only change that you will have to make with the STAFF System is to amend your Percentage values in the Holiday Parameters. The Payroll percentage is currently 10.17, this

will change to 12.07 (or 12.0690 to four decimal places).

### *What you need to change*

The STAFF System uses a parameter to control the amount of Holiday Pay calculated. This applies to all Holiday Pay, that is both accrued (for payment on demand) and when paid each week (rolled-up holiday pay). This value is calculated for 28 days as 12.07 (or 12.0690 to four decimal places), replacing the 10.17 for 24 days.

In addition there is a Reporting parameter that is used in the Payroll Audit Report and Profit Report which reflects the Employer's NI on the Holiday. In this case there is no absolutely correct value but there is a maximum, the full value of the Employer's NI, i.e. 12.8%. There should be no reason to change this value

### *When to make the changes*

The changes come into effect on the 1<sup>st</sup>. April, a Wednesday, and so this does give some problems because for that week the Monday and Tuesday should be at the old rate while Wednesday onwards should be at the new rate. There are several approaches to this:

- firstly we could run two payrolls, one for Monday and Tuesday only at the old rate, then change the parameters and run a second payroll for Wednesday onwards and the new rate. This will cause quite a lot of extra work (mainly creating new assignments and entering hours a second time for the second payroll) but will get the figures correct
- secondly, we could simply run the week at either the old or new rate but that will never be correct although the difference may be small.
- thirdly, an intermediate approach (suggested by one of our users) where we use an average rate for the changeover week; in this case we have calculated a weighted mean figure (2 days at 10.17 and 3 at 12.07 – giving 11.31, or 11.3092 to four decimal places). In this case we would make the change to the parameters before running the payroll for timesheets ending Friday 3<sup>rd</sup> April (or Sunday 5<sup>th</sup>.), and run the payroll with the intermediate rate. Then for the next week change the rate to the full 28-day figure of 12.07 for timesheets ending Friday 10<sup>th</sup>. April (Sunday 12<sup>th</sup>.). This does assume that your Temps do work a five-day week and the same hours each day and if so the results will be correct; but, obviously, minor differences will only result a small error in the calculations.

Of course, for almost everyone this will also be the final week of the Tax Year 08/09, but, strictly speaking, the two are not related.

Whichever approach you take, and please call if you wish to discuss them further, you should try to get all timesheets up to date so that there are no outstanding ones to carry forward into the next week (and so at the wrong rate)

Then make the changes as given in the section below.

Expected Hours sites have an extra issue regarding any adjustments and so may find it best to run the adjustments for the final week at the old rate (the final week of March) in a separate payroll run.

If you have any queries, please call Support.

### *Changing the STAFF Holiday Parameters – Payroll parameter*

Use the Holiday Pay Parameter Update program – it may be on a menu or if not use RP:

at Make a Selection -

enter RP  
program name: S2HOLPR2 and press return  
program switch just press return  
branch ID 0000  
Do you want to amend Report or Pay  
P

Enter Holiday Scheme ID  
as per your Holiday Scheme(s)

On the parameter screen you will notice six lines down:

By Accrual Accrual Percentage: [ 10.1700] or 10.1695

It is the Accrual Percentage that you need to change to 12.07 or 12.0690

### *Changing the STAFF Holiday Parameters – Reporting parameter*

There should be no reason to change this parameter but we include the instructions here for completeness.

Use the Holiday Pay Parameter Update program – follow the instructions for the Payroll parameter above up to:

Do you want to amend Report or Pay  
R (enter R for Report this time)

On the parameter screen you will notice for the first entry field on the line “this percentage”

The value for the Reporting percentage is always open to your own values

The maximum is the full 12.8 % of Employer's NI.

If you have any questions, please call Support.

## **7. In-year on-line returns for 08/09**

Our current understanding is that employers with more than 50 employees must submit P45 details on-line from **April 2009** and that you can make these submissions from April 2008 if you wish or continue with paper.

Please contact us if you have been notified that you must make on-line submissions.

We will be issuing an amendment to STAFF version 2.4 which will be in a small update package, available in April. We will issue full details later.

## **8. New version – the STAFF System v3**

The new version of the STAFF System will be available for demonstration shortly after the Tax Year End. We plan to start making it generally available during the summer and will be sending out further details after the Year End is completed.

Olympic Computers Limited, March 2009